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**FILED**  
JUN 07 2021  
DEPT. OF REAL ESTATE  
By *[Signature]*

BEFORE THE DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

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|                                     |   |                            |
|-------------------------------------|---|----------------------------|
| In the Matter of the Application of | ) | No. H-05231 SD             |
|                                     | ) |                            |
| ANNE RUTH O'BREY,                   | ) | <b>STATEMENT OF ISSUES</b> |
|                                     | ) |                            |
| Respondent.                         | ) | Mortgage Loan Originator   |
|                                     | ) | License Endorsement        |
|                                     | ) |                            |

The Complainant, Ruth Corral, acting in her official capacity as a Supervising Special Investigator of the State of California, for cause of Statement of Issues against ANNE RUTH O'BREY, f.k.a. Anne Ruth Haas or Anne Ruth Kuffel ("Respondent"), is informed alleges as follows:

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All references to the "Code" are to the California Business and Professions Code and all references to "Regulations" are to Title 10, Chapter 6, California Code of Regulations.

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2 **DEPARTMENT OF REAL ESTATE ("DRE") LICENSE HISTORY**

3 2.

4 According to Department of Real Estate ("DRE") records to date, Respondent has  
5 been licensed and/or has license rights under the Real Estate Law, Part 1 of Division 4 of the  
6 Business and Professions Code ("Code") as a restricted real estate broker ("RREB"), DRE  
7 license ID 00999413, since September 17, 2001. Prior to her licensure as a REB, Respondent  
8 was issued a real estate salesperson ("RES") license by the Department on or about August 16,  
9 1988.

10 3.

11 According to DRE records to date, Respondent's mailing and main address of  
12 record are the same: 2622 Sunset Hills, Escondido, CA 92025. Also according to DRE records  
13 to date, Respondent has two (2) RES affiliated with her RREB license and no DBAs or branch  
14 offices.

15 4.

16 **December 24, 2015 Order Accepting Voluntary Surrender of Real Estate License**

17 (DRE Case No. H-04113 SD)

18 On or about May 25, 2010, the DRE filed Accusation No. H-04113 SD against  
19 Respondent [and two co-Respondents]. Accusation No. H-04113 SD alleged that Respondent  
20 violated: Code Section 10176(a) (making any substantial misrepresentation); Code Section  
21 10176(i) (engaged in any other conduct, while acting in a licensed capacity whether of the same  
22 or different character than specified in this section, constituting fraud or dishonest dealing); Code  
23 Section 10177(g) (demonstrated negligence or incompetence in performing an act for which he  
24 or she is required to hold a license); Code Section 10177(j) (engaged in any other conduct,  
25 whether of the same or different character than specified in this section, constituting fraud or  
26 dishonest dealing); Code Section 10137 (unlawful for real estate broker to employ or compensate  
27 any person for performing any acts requiring a real estate license who is not a salesperson  
28

1 licensee licensed under said broker or who is not a licensed broker); Code Section 10137 in  
2 conjunction with Code Section 10177(d) (providing for revocation or suspension of a real estate  
3 license for violations of the Real Estate Law under Sections 10000 et seq. and Sections 11000 et  
4 seq. of the Code or for violations of the Commissioner's Regulations, Chapter 6, Title 10,  
5 California Code of Regulations); and Code Section 10177(h) (requiring designated broker/officer  
6 to exercise reasonable supervision over the licensed activities of corporate broker) and/or Code  
7 Section 10159.2 (holding designated broker/officer responsible for supervision and control of  
8 activities conducted on behalf of corporation by its officers and licensees for compliance with the  
9 Real Estate Law under Sections 10000 et seq. of the Code) and Regulation 2725 (requiring  
10 broker to supervise salesperson employees and to implement policies, rules and procedures to  
11 assure employee compliance with the Real Estate Law under Sections 100000 et seq. of the  
12 Code), in conjunction with Code Section 10177(d).

14 5.

15 On or about October 12, 2015, Respondent petitioned to voluntarily surrender her  
16 REB license in connection with Accusation Case No. H-04113 SD ("voluntary surrender  
17 petition"). As part of Respondent's voluntary surrender petition, Respondent agreed that upon  
18 acceptance by the Commissioner, all allegations contained in Accusation No. H-04113 SD may  
19 be considered by the Department (then "Bureau") to be true and correct for the purpose of  
20 deciding whether to grant re-licensure or reinstatement pursuant to Government Code Section  
21 11522.  
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23 6.

24 On or about December 1, 2015, the DRE Commissioner accepted Respondent's  
25 voluntary surrender petition and the Order Accepting Voluntary Surrender of Real Estate License  
26 became effective on December 24, 2015.

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2 7.

3 August 8, 2018 Order Denying Reinstatement of License

4 But Granting Right to a Restricted License

5 (DRE Case No. H-04113 SD)

6 On or about April 18, 2018, Respondent petitioned for reinstatement of her REB  
7 license ("reinstatement petition"), and the Attorney General of the State of California was given  
8 notice of the filing of said petition. On or about August 3, 2018, an Order was executed which  
9 denied Respondent's reinstatement petition for an unrestricted REB license, but granted the  
10 issuance of a restricted REB license to Respondent. The Order Denying Reinstatement of  
11 License But Granting Right to a Restricted License became effective on August 8, 2018.

12 NATIONWIDE MULTISTATE LICENSING SYSTEM ("NMLS")

13 MORTGAGE LOAN ORIGINATOR LICENSE ENDORSEMENT APPLICATION

14 8.

15 November 4, 2020 MU4

16 On or about November 4, 2020, Respondent attested to and submitted under  
17 penalty of perjury her online individual application ("MU4") to the NMLS with a Transition  
18 Requested" for a REB mortgage loan originator ("MLO") license endorsement.  
19

20 APPLICABLE SECTIONS OF THE REAL ESTATE LAW

21 9.

22 Denial of Mortgage Loan Originator Endorsement - Code Section 10166.05

23 Pursuant to Code Section 10166.05 *Denial of Mortgage Loan Originator*

24 *Endorsement:*

25 "Notwithstanding any other provision of law, the commissioner shall not issue a  
26 license endorsement to act as a mortgage loan originator to an applicant unless the commissioner  
27 makes all of the following findings:  
28

1 (a) The applicant has never had a mortgage loan originator license revoked in any  
2 governmental jurisdiction, except that a subsequent formal vacation of a revocation shall not be  
3 deemed as a revocation.  
4

5 (b)(1) The applicant has not been convicted of, or pled guilty or nolo contendere  
6 to a felony in a domestic, foreign, or military court during the seven-year period preceding the  
7 date of the application for licensing, or at any time preceding the date of application, if the felony  
8 involved an act of fraud, dishonesty, a breach of trust, or money laundering. Whether a  
9 particular crime is classified as a felony shall be determined by the law of the jurisdiction in  
10 which an individual is convicted.

11 (2) For purposes of this subdivision, an expunged or pardoned felony  
12 conviction shall not require denial of an application. However, the commissioner may consider  
13 the underlying crime, facts, or circumstances of an expunged or pardoned felony conviction  
14 when determining the eligibility of an applicant for licensure under this subdivision or  
15 subdivision (c).

16 (c) The applicant has demonstrated such financial responsibility, character, and  
17 general fitness as to command the confidence of the community and warrant a determination that  
18 the mortgage loan originator will operate honestly, fairly, and efficiently within the purposes of  
19 the article.  
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21 (d) The applicant has complied with the education and written testing  
22 requirements in Section 10166.06.”

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Effect of Prior License Discipline on Mortgage Loan Originator

License Endorsement Application - Regulation 2945.2

Pursuant to Regulation 2945.2 *Effect of Prior License Discipline on Mortgage Loan Originator License Endorsement Application:*

“(a) Where a real estate licensee was subject to a real estate license discipline action filed by the Bureau prior to January 1, 2010, resulting in discipline in the form of a revocation and/or suspension, such discipline in itself shall not be the sole basis to deny the issuance of a mortgage loan originator license endorsement.

(b) Where a real estate licensee was subject to a real estate license discipline action filed by the Bureau on January 1, 2010 or later, resulting in a revocation, a suspension, a voluntary surrender of a real estate license, a public reproof, and/or a bar order, such discipline alone may be cause for denial of a subsequent mortgage loan originator license endorsement.

(c) A disciplinary action resulting in the revocation of a real estate license with an immediate right to a restricted real estate license shall not constitute a revocation for purposes of invoking a lifetime ban from holding a mortgage loan originator license endorsement.”

11.

Grounds for Denial, Suspension or Revocation - Code Section 10166.051

Pursuant to Code Section 10166.051 *Grounds for Denial, Suspension or Revocation:*

“In addition to any penalties authorized by regulations adopted pursuant to Section 10166.05, the commissioner may do one or more of the following, after appropriate notice and opportunity for hearing:

(a) Deny, suspend, revoke, restrict, or decline to renew a mortgage loan originator license endorsement for violation of this article, or any rules or regulations adopted hereunder.

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2 (b) Deny, suspend, revoke, condition, or decline to renew a mortgage loan  
3 originator license endorsement, if an applicant or endorsement holder fails at any time to meet  
4 the requirements of Section 10166.05 or 10166.09, or withholds information or makes a material  
5 misstatement in an application for a license endorsement or license endorsement renewal.

6 (c) Issue orders or directives to licensees who hold mortgage loan originator  
7 license endorsements, as follows:

8 (1) Order or direct persons subject to this article to desist and refrain from  
9 conducting business, including immediate temporary orders to desist and refrain.

10 (2) Order or direct persons subject to this article to cease any harmful  
11 activities or violations of this article, including immediate temporary orders to desist and refrain.

12 (3) Enter immediate temporary orders to cease business under a license  
13 endorsement if the commissioner determines that the license endorsement was erroneously  
14 granted or the endorsement holder is currently in violation of this article.

15 (4) Order or direct any other affirmative action the commissioner deems  
16 necessary.”

17 **VIOLATIONS OF THE REAL ESTATE LAW - CAUSES FOR APPLICATION DENIAL**

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19 12.

20 The facts alleged in Paragraphs 4 through 6, above, constitute cause for denial of  
21 Respondent ANNE RUTH O'BREY's MLO license endorsement application pursuant to **Code**  
22 **Section 10166.051(b) for failure to meet the requirements of Code Section 10166.05(c).**

23 13.

24 The facts alleged in Paragraph 6 above, constitute cause for denial of Respondent  
25 ANNE RUTH O'BREY's MLO license endorsement application pursuant to **Regulation**  
26 **2945.2(b).**

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2 WHEREFORE, Complainant prays that a hearing be conducted on the allegations  
3 of this Statement of Issues, and that upon proof thereof, a decision be rendered that the  
4 Commissioner refuse to authorize the issuance of, and deny the issuance of a mortgage loan  
5 originator license endorsement to Respondent ANNE RUTH O'BREY, and for such other and  
6 further relief as may be proper under the provisions of law.

7 Dated at Sacramento, California

8 this 1st day of June, 2021.

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11   
12 Ruth Corral  
13 Supervising Special Investigator  
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17 cc: Anne Ruth O'Brey  
18 Mortgage Loan Activities/Enforcement – R. Corral  
19 Sacto.  
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